

**INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS REFERENCE
FILING ADOPTION FORM**

Page 1 of 3

1. Insurer Name Beacon National Insurance Company
- Address P. O. Box 97523
Wichita Falls, TX
76307
- Person Responsible for Filing Jon Johnson
- Title Dir. of Personal Lines Underwriting Telephone No. 940-720-4611
2. Insurer NAIC No. 20028 Group No. 0030
3. Line of Insurance Personal Auto Liability
4. Advisory Organization Insurance Services Office
5. Advisory Organization Reference Filing No. PP-2005-BRLA1
6. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.
7. Proposed Rate Level Change -12.4 % Effective Date 03-01-06
8. Prior Rate Level Change -14.3 % Effective Date 01-20-05
9. Attach "Summary of Supporting Information Form"
(Use a separate Summary for each insurer-selected loss cost multiplier.)
10. Check one of the following:
- ☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.
- ☒ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

Page 2 of 3Insurer Name: Beacon National Insurance CompanyDate: 01-23-06NAIC No. 20028Group No. 0030

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS
SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER

1. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: Personal Auto Liability
2. Loss Cost Modification:
 - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
(Check One)

☒ Without Modification (factor = 1.000)
☐ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) 1.0
 - B. Loss Cost Modification Expressed as a Factor: (See Examples Below)

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3-7 BELOW.

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

Selected Provisions

A. Total Production Expense	<u>18.4</u>	%
B. General Expense	<u>7.1</u>	%
C. Taxes, Licenses & Fees	<u>1.9</u>	%
D. Underwriting Profit & Contingencies*	<u>3.5</u>	%
E. Other (explain)	<u>0.00</u>	%
F. TOTAL	<u>30.8</u>	%

* Explain how investment income is taken into account.

4.
 - A. Expected Loss Ratio: $ELR = 100\% - 3F = A$. 69.3 %
 - B. ELR in Decimal Form = 0.693 %
5. Company Formula Loss Cost Multiplier: $(2B \text{ divided by } 4B) =$ 1.443 %
6. Company Selected Loss Cost Multiplier = 1.35 %
Explain any differences between 5 and 6:
Continued improvement in the expense area and maintain loss ratios via quality initiatives..
7. Rate level change for the coverages to which this page applies: -14.3 %

Example 1: Loss Cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss Cost Modification Factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used.

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Page 1 of 3

1. Insurer Name Beacon National Insurance Company
- Address P. O. Box 97523
Wichita Falls, TX 76307
- Person Responsible for Filing Jon Johnson
- Title Director of Personal Lines Underwriting Telephone No. 940.720.4611
2. Insurer NAIC No. 20028 Group No. 0030
3. Line of Insurance Personal Auto Physical Damage
4. Advisory Organization Insurance Services Office
5. Advisory Organization Reference Filing No. PP-2005-BRLA1
6. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.
7. Proposed Rate Level Change -19.7 % Effective Date 03-01-06
8. Prior Rate Level Change -15.5 % Effective Date 02-10-05
9. Attach "Summary of Supporting Information Form"
(Use a separate Summary for each insurer-selected loss cost multiplier.)
10. Check one of the following:
- ☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.
- ☒ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

Insurer Name: Beacon National Insurance Company Date: 12/13/04
 NAIC No. 20028 Group No. 0030

INSURER RATE FILING
 ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS
 SUMMARY OF SUPPORTING INFORMATION FORM
 CALCULATION OF COMPANY LOSS COST MULTIPLIER

1. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: Personal Auto Phys Dam
2. Loss Cost Modification:
- A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
 (Check One)
☐ Without Modification (factor = 1.000)
☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) -2.7%
- B. Loss Cost Modification Expressed as a Factor: (See Examples Below) .973 (from prior yr.)

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3-7 BELOW.

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

Selected Provisions

A. Total Production Expense	<u>19.2</u>	%
B. General Expense	<u>7.5</u>	%
C. Taxes, Licenses & Fees	<u>1.9</u>	%
D. Underwriting Profit & Contingencies*	<u>3.00</u>	%
E. Other (explain)	<u>0.00</u>	%
F. TOTAL	<u>31.6</u>	%

* Explain how investment income is taken into account.

4. A. Expected Loss Ratio: $ELR = 100\% - 3F = A.$ 68.4% %
 B. ELR in Decimal Form = 0.684 %
5. Company Formula Loss Cost Multiplier: (2B divided by 4B) = 1.42 %
6. Company Selected Loss Cost Multiplier = 1.30 %
 Explain any differences between 5 and 6:
Continued improvements expected in the expense area and maintain loss ratio via quality initiatives.
7. Rate level change for the coverages to which this page applies: -19.7 %

Example 1: Loss Cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss Cost Modification Factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used.